

VZCZCXRO1432
PP RUEHIK
DE RUEHAH #1526 3311018
ZNR UUUUU ZZH
P 271018Z NOV 09
FM AMEMBASSY ASHGABAT
TO RUEHC/SECSTATE WASHDC 3806
INFO RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RUCNCLS/ALL SOUTH AND CENTRAL ASIA COLLECTIVE
RUCNCIS/CIS COLLECTIVE
RUCNMEM/EU MEMBER STATES COLLECTIVE
RUEHAK/AMEMBASSY ANKARA 5927
RUEHBJ/AMEMBASSY BEIJING 3629
RUEHKO/AMEMBASSY TOKYO 3488
RUEHIT/AMCONSUL ISTANBUL 4169
RUCNDT/USMISSION USUN NEW YORK 1269
RHMCSUU/CDR USCENCOM MACDILL AFB FL
RUEHVEN/USMISSION USOSCE 4121
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RHEHNSC/NSC WASHDC
RUEKJCS/SECDEF WASHDC
RUEKJCS/JOINT STAFF WASHDC

UNCLAS ASHGABAT 001526

SENSITIVE
SIPDIS

STATE FOR SCE/CEN; EEB
COMMERCE FOR EHOUSE

E.O. 12958: N/A
TAGS: [ECON](#) [ETRD](#) [BTIO](#) [TX](#)
SUBJECT: COLGATE-PALMOLIVE IN TURKMENISTAN

11. Sensitive but unclassified. Not For Public Internet.

12. (SBU) SUMMARY: The Turkish Anka Trading and Shipping Company holds the only license for distributing Colgate and Palmolive products in Turkmenistan. The group also partners with Turkmen entrepreneurs to avoid high taxes for foreign companies. At present, Colgate-Palmolive's advertising throughout the country is limited. Colgate-Palmolive distributors work with local and federal law enforcement to identify and combat counterfeit products and their importers. Colgate-Palmolive continues to compete with Russian and Turkish toothpaste, soap, and detergent, and boasts a third of the market share for higher-quality toothpaste and soap. END SUMMARY.

13. (SBU) Turkish company Anka Trading and Shipping (ATS) is the only authorized Colgate-Palmolive distributor in Turkmenistan. The company partners with Turkmen businessmen which means the company avoids high taxes required of foreign companies. The distribution of fast moving consumer goods in Turkmenistan is does require some regular interaction with tax and customs officials, but an ATS representative claimed the interaction is minimal. He added obtaining a license from the Turkmen State Chemical Company Turkmenhimiya to distribute domestic-use chemicals (cleaners, bleaches etc.) and personal hygiene items were the most difficult hurdle ATS faced.

14. (SBU) According to the ATS rep, Turkmen consumers have few complaints about quality of the authentic Colgate-Palmolive goods. Complaints arise, he added, when consumers are duped into buying counterfeit products. He noted that ATS assisted local Customs and Police to identify importers, who knowingly shipped counterfeit Colgate toothpaste to Turkmenistan from China. The company rep stressed that China remains the main source of counterfeit consumer goods to Turkmenistan.

15. (SBU) The ATS rep complained that Colgate considers Turkmenistan's market too small to justify costly advertising campaigns which target school and university-age consumers like it does in Russia. According to the rep, Colgate provides dental hygiene classes in Russian schools and

universities and offers free samples to students as it bombards the airwaves with commercials aimed at Russian young people, noting that such campaigns are extremely successful. Today, Colgate-Palmolive offers Turkmen consumers around one hundred and fifty-five various products in eight product categories. The distributor rep boasted that Colgate-Palmolive holds 30 percent of the toothpaste market for products that cost more than \$2, and 30 percent of the hand soap market for soap which costs more than \$0.45 per bar. Colgate-Palmolive's major competitors in Turkmenistan are cheaper Russian and Turkish soaps, detergents and toothpastes.

¶6. (SBU) Colgate-Palmolive also reaches Turkmen audiences via Russian language advertising available on Russian satellite TV stations, which are still widely watched throughout the country. Colgate-Palmolive also engages Turkmen TV channels in an effort to reach potential consumers in smaller towns and rural areas.

¶7. (SBU) COMMENT: Western consumer goods and hygiene products are slowly gaining in popularity in Turkmenistan. To date, Colgate-Palmolive does not deal directly in Turkmenistan, given the country's smaller customer base, and immense bureaucracy. Nevertheless, the company's distributor seems willing to slowly chip away at Russian and Turkish product dominance, emphasizing that although Colgate-Palmolive products are more expensive, the quality is worth the extra cost. END COMMENT.

CURRAN